



SPONSORSHIP

麦当劳



McDonald's

Burton: some TOP sponsors continually pay huge rights-  
fees but never fully exploit their rights - Getty Images Sport

# ON TOP OF THE WORLD

**Rick Burton** was chief marketing officer for the US Olympic Committee (USOC) at the 2008 Beijing Olympic Games. He assesses 25 years of the IOC (International Olympic Committee's TOP (The Olympic Partner) programme.

**AS THE FORMER CHIEF** marketing officer of the USOC, I periodically get asked my opinion on Olympic sponsorship and whether global purchases - buying into the IOC's TOP plan - still rate and deliver acceptable returns in comparison to local country/domestic-only partnerships or a specific Games tie-in.

The nature and tone of the question suggests there must be a sense that the big TOP deals no longer work - almost as if they are too good to be true - and that as someone who worked with many of the IOC's TOP partners and mega-brands like Coca-Cola, Visa, McDonald's, General Electric and Johnson & Johnson during the 2008 Beijing Olympics, I might have something insidious to share.

If current IOC or USOC executives read this they may well smirk that I, above all people, should suggest I know anything; but I think I can write about this topic because of recent research I have been specifically conducting about Olympic sponsorships.

I was asked to provide three different textbook chapters - Olympic Ambush Marketing, the All-Time Greatest Olympic Sponsorships and Olympic Hospitality - during the last month. All are due out prior to the London 2012 Games. Additionally, I've recently had the good fortune to speak with the IOC's long-time marketing maestro, Dick Pound, about the TOP programme.

Firstly, the facts: the concept of TOP probably

owes much to Horst Dassler, the founder of sports apparel giant adidas, and his suggestion in the mid-1980s that a global sponsorship concept could work for the Olympics. This ultimately led to the creation of TOP in time for the 1988 Winter and Summer Games in Calgary and Seoul respectively with prominent roles played by Pound and the IOC's then marketing and broadcasting rights director Michael Payne.

Since TOP still exists, we know the concept has weathered nearly 25 years of use and that more than 15 major international brands have signed on at one time or another.

We also know that certain brands, but not all, have stayed committed - Coca-Cola, Visa, McDonald's - and that they have paid increasing rights fees to the IOC. Justifying the increases, they have also witnessed the growth of the concept from approximately 154 countries recognising TOP to a now fluctuating number approaching 200.

We also know that the IOC has repeatedly asked itself if TOP is still working and whether it should change things up as early as 2020. The answer may ultimately be 'yes' but Pound, as recently as February, suggested that the IOC had looked hard at TOP, paying high-profile, senior sponsorship consultants to challenge its viability, and still came away believing - at least for the moment - that TOP still works and that no change was needed. That speaks leagues to me,

even if the IOC changes course tomorrow and chucks this global baby out with the bath water.

Part of the reason to keep TOP, says Pound, lies in the no-longer-unique-but-still-effective paradigm that TOP works largely because it smoothes economic dips and gains when reviewed over time. Said another way, TOP may be expensive in one region of the world but cost-efficient in another. Thus, when all the sums are measured and analysed across the number of countries involved, and the level of activation employed is taken into consideration, TOP appears to provide an appropriate value for the amount paid. Capitalism suggests the market will bear, but also force, acceptable pricing.

But let's be clear. I'm no apologist for TOP nor can I suggest that every TOP sponsor gets its money's worth. But those companies that continually invest in the IOC brand, amortise their spending, integrate their Olympic marketing and leverage their five-ring rights have tended to see share gains and recognition as market leaders.

Visa's campaign in the early 1990s that its card was the only one accepted at the Olympics made a huge difference in how that brand was perceived. Coke's massive 10:1 activation spend for the 1996 Olympics in Atlanta - a conveniently reported ratio for a Summer

*“TOP may be expensive in one region of the world, but cost-efficient in another when all the sums are measured and analysed across the number of countries involved.”*

Games in the drinks manufacturer's HQ city - made people forget about the 'New Coke' fiasco and seemed to end any dreams Pepsi had of challenging this category/segment leader.

General Electric's gargantuan business-to-business efforts in China leading up to the 2008 Olympics in Beijing, meanwhile, probably brought the company billions in new industrial contracts that mainstream marketers never knew about.

So, for some parties, TOP still works and is better than a local deal or one-time Games deal. But does TOP have challenges? Of course. Subway continues to ambush McDonald's by using active Olympians such as swimmer Michael Phelps and speed-skater Apolo Ohno to push its sandwiches but McDonald's has not backed away from telling the world that it is the

official sponsor and not the company a formerly obese man has consistently endorsed. And other TOP sponsors, although not named here, seem to continually pay huge rights-fees - perhaps to block their competition - but never fully exploit their expensive rights.

For now, as all eyes turn to London for the 2012 Games, the question I should be getting is whether the current batch of TOP sponsors are getting it right. My memory suggests that in 2008 when Beijing was on the line, the activation plans seemed to start in January 2008. Today, roughly April 15, 2012, it seems that all is quiet on the Western front. That doesn't mean TOP sponsors aren't in heavy missile-loading mode, but it just seems like this year's TOPsters aren't yet firing their salvos at their target consumers.

If I'm right, that might suggest the people managing TOP are getting the selling part right - delivering more than \$1 billion per quadrennium - but are perhaps finding that the cost of getting the deal done is minimising their ability to get an appropriate amount spent to make the Olympics, in the even-numbered years, the most talked about sporting spectacle of the year.

To that end, like everything in the world, there is room for improvement.